

# VALERI Servicer Newsflash

Friday, April 12, 2013

## FOR YOUR INFORMATION

### Copies of Liquidation Appraisal Reports

VA does not object to servicers providing copies of liquidation appraisal reports on a VA-guaranteed loan to Veteran-borrowers and third parties authorized by any borrower on the loan. Both Lenders and Servicers have access to WebLGY and can pull a copy of the appraisal upon request. The only time VA will send a copy of the appraisal report is upon request from a veteran or other authorized party that does not have access via WebLGY.

### Updates on VA "Exterior-Only" Appraisals for Comp Sales and Deeds-in-Lieu

Servicers have reported instances when a liquidation appraisal for foreclosure was originally ordered and the appraisal was completed without access to the interior of the property, and the loan is being considered for either a deed in lieu or compromise sale. The Uniform Standards of Professional Appraisal Practice (USPAP) do not allow an appraiser to perform only an update on a prior "exterior-only" appraisal. USPAP requires a completely new appraisal, and VA can no longer request updates through the Construction and Valuation section. VA requires an appraisal to include interior access to the property if a deed in lieu or compromise sale is under consideration because it is expected that the borrower will cooperate with the appraiser to ensure access and the servicer will have notified the borrower of this requirement. On the rare occasion when a liquidation appraisal was ordered because it appeared foreclosure was inevitable, but a deed or compromise became possible, a servicer may submit thorough documentation to the assigned technician to request prior approval by VA to use an "exterior-only" appraisal. Such approval may or may not be granted.

### Notice of Value (NOV) Extensions

As stated previously in the Servicer Newsflash issued on March 8, 2011, the NOV must be valid on the date that a compromise sale, deed-in-lieu or foreclosure sale is completed. Otherwise, a new VA liquidation appraisal must be ordered by contacting the SAPP Staff Appraisal Reviewer or the C&V Section in the property's geographical jurisdiction. If the NOV will expire prior to the completion date, you must request an extension before the NOV expiration date by contacting the assigned VA Loan Technician in VALERI. VA will normally grant an extension for ***a maximum of 14 calendar days, if the request is received before the completion of the loss mitigation or foreclosure action.*** Also, no other circumstances may exist that negatively impact the value of the property. A new VA liquidation appraisal must be ordered if your request for extension is denied.

### Deed-in-Lieu Sent for Recording Date

With a deed-in-lieu (DIL), title to the property is first transferred from the borrower to the loan holder, and then from the holder to VA via a special warranty deed. The deed-in-lieu must be completed before the loan holder decides whether or not to transfer the property to VA, since the deed-in-lieu conveys to the servicer, not VA. In some cases, the servicer may decide to retain the property. However, if they wish to convey to VA, a special warranty deed transferring the property to VA from the loan holder is required. Servicers may choose to report the date the deed-in-lieu was submitted for recording instead of the actual recording date, since delays in the deed's recordation and return to the attorney or holder regularly occur. However, the date the "deed was submitted for recording" in VALERI means the date the DIL was presented at the recorder's office, and ***not*** some other date, such as when a servicer forwarded the deed to its attorney to handle recording of the deed.

**VRM Email Standard Format**

To help categorize and expedite the processing of your requests, we ask that you please use the below format when sending an email communication to VRM. For security reasons, please refrain from using any personally identifiable information in the subject line of your email.

Subject: Title Package/Extension Request/Inquiry

Message Body:

VA LIN: 1234567890123 (12 digit loan number)

Comments: Please see the attached package/Please see attached request for extension/Need help

**DEVELOPMENT UPDATES**

On Saturday, April 13, 2013, VA will deploy VALERI manifest 2.21. The following system enhancements will be included in this release:

CQ 9265 – Electronic Default Notice (EDN) with a Reason for Default (RFD) value of Imminent Default has been corrected. Several servicers were seeing this event being withdrawn in VALERI.

CQ 8977 – VALERI will allow bankruptcy attorney fees and filing fee when an update is received with Relief of Stay Filed or Relief Granted.

CQ 8661 – Special Forbearance Event. The two data elements required for this event are the Date Approved and the Estimated Date of Cure. This event requires both fields to be populated. Otherwise, the event will reject.

CQ 9026 – Password change for System Administrators. Passwords must now be changed every 30 days for security purposes.